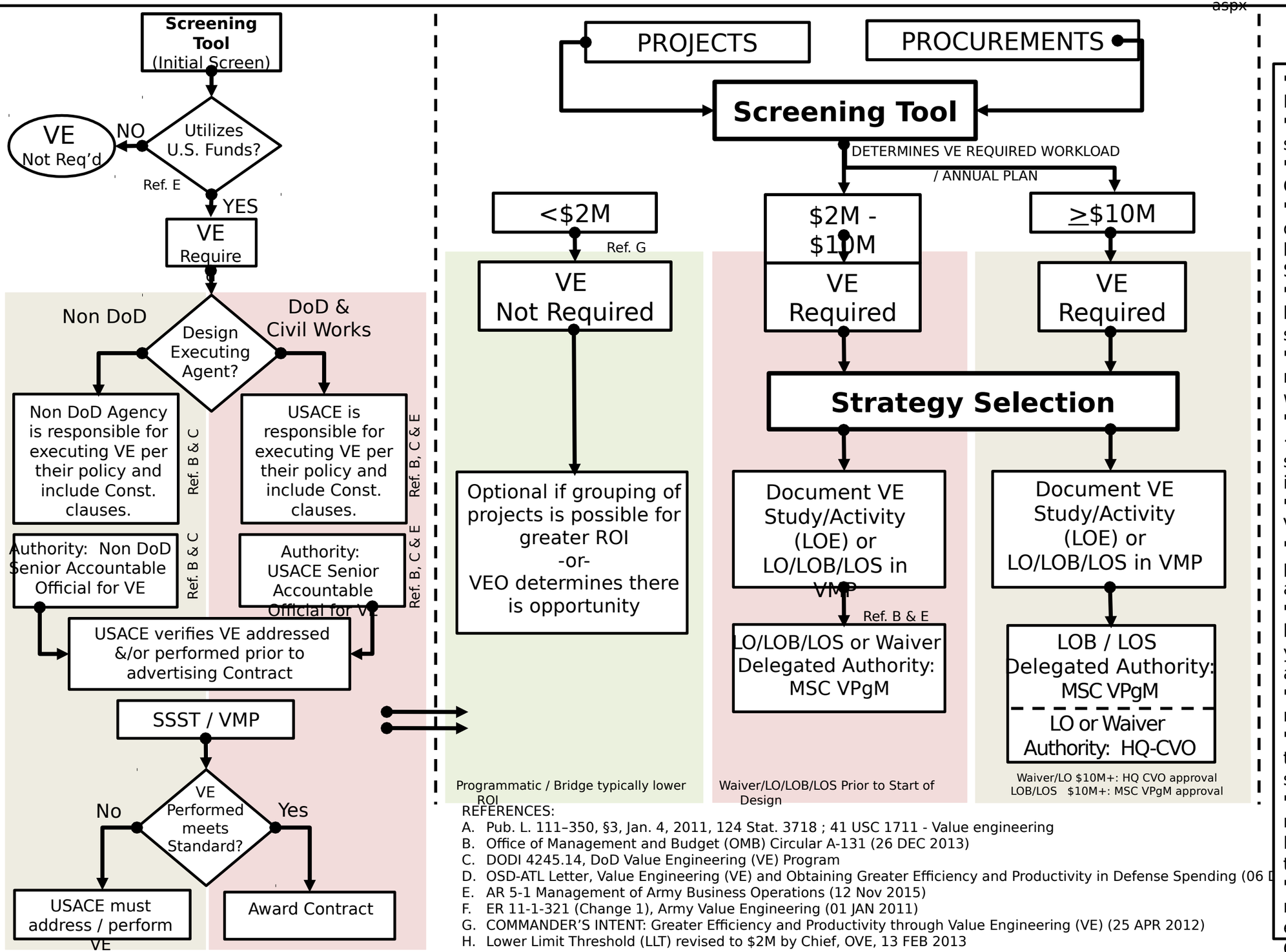
WHAT REQUIRES VE & WHO HAS AUTHORITY ON VE?

http://www.usace.army.mil/ValueEngineering.aspx


Screening Tool (Initial Screen)
Utilizes U.S. Funds?
NO
VE Not Req'd
Ref. E
YES
VE Require
Non DoD
DoD & Civil Works
Design Executing Agent?
Non DoD Agency is responsible for executing VE per their policy and include Const. clauses.
USACE is responsible for executing VE per their policy and include Const. clauses.
Ref. B & C
Ref. B, C & E
Authority: Non DoD Senior Accountable Official for VE
Authority: USACE Senior Accountable Official for VE
USACE verifies VE addressed &/or performed prior to advertising Contract
SSST / VMP
VE Performed meets Standard?
No
Yes
USACE must address / perform VE
Award Contract
PROJECTS
PROCUREMENTS
Screening Tool
DETERMINES VE REQUIRED WORKLOAD / ANNUAL PLAN
<$2M
$2M - $10M
≥$10M
Ref. G
VE Not Required
VE Required
VE Required
Strategy Selection
Optional if grouping of projects is possible for greater ROI -or- VEO determines there is opportunity
Document VE Study/Activity (LOE) or LO/LOB/LOS in VMP
Document VE Study/Activity (LOE) or LO/LOB/LOS in VMP
Ref. B & E
LO/LOB/LOS or Waiver Delegated Authority: MSC VPgM
LOB / LOS Delegated Authority: MSC VPgM
LO or Waiver Authority: HQ-CVO
Programmatic / Bridge typically lower ROI
Waiver/LO/LOB/LOS Prior to Start of Design
Waiver/LO $10M+: HQ CVO approval
LOB/LOS $10M+: MSC VPgM approval

REFERENCES:

A. Pub. L. 111–350, §3, Jan. 4, 2011, 124 Stat. 3718 ; 41 USC 1711 - Value engineering
B. Office of Management and Budget (OMB) Circular A-131 (26 DEC 2013)
C. DODI 4245.14, DoD Value Engineering (VE) Program
D. OSD-ATL Letter, Value Engineering (VE) and Obtaining Greater Efficiency and Productivity in Defense Spending (06 D
E. AR 5-1 Management of Army Business Operations (12 Nov 2015)
F. ER 11-1-321 (Change 1), Army Value Engineering (01 JAN 2011)
G. COMMANDER'S INTENT: Greater Efficiency and Productivity through Value Engineering (VE) (25 APR 2012)
H. Lower Limit Threshold (LLT) revised to $2M by Chief, OVE, 13 FEB 2013

KEY NOTES/CONSTRAINTS

- District VEO works with Program Managers to develop the Annual Plan.
- PM must schedule & resource VE studies
- PM must document VE Study, Low Opportunity or Waiver in P2.
- Value Management Plans (VMPs) are developed by the VEO with the PDT based on the VE Screening/Strategy Selection Tool.
- LO/LOB/LOS and Waiver Requests must be submitted and approved no later than start of design or study will be required.
- Decision to request waiver shall be made by the PM prior to approved PMP, with VMP & justification included.
- VMA (or equivalent) may facilitate if <$10M, but must adhere to VM standards and have results validated by independent QA.
- CVS (or Equivalent) shall facilitate all VE Studies ≥$10M.
- Consider grouping like projects into program-wide studies for Regional application.
- COS and Programmatic Studies must be updated at a minimum every 3-5 years in order to remain valid for application.
- VE required on functional & operational requirements of Standard Designs (CoS).
- Standard Design Studies do not negate the requirement for individual Project studies by Geographic District.
- Programmatic studies, ie., Dredging, require MSC VE PgM approval (HQ for Enterprise studies) PRIOR to executing the study..
- MSC VE PgM's with COS/CX responsibilities within their AOR, must ensure COS studies are performed, and COS collects (at least annually) AU

Version